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DEPARTMENT OF STATE

Memorandum of Conversation

CH

DATE: DATE:

SUBJECT: Polish-Tugoslav Relations

PARTICIPANTS: Mr. Franc Primerie, Tugoslav Minister Foy D. Kohler, Deputy Asst. Secretary,

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Enhasty Marsay
Enhasty Belgrade

AL CEIVED, DIRECTOR BUREAU OF INTELLIGENCE AND RESEAR

GPO 895/20

During a conversation with Mr. Primeric today I mentioned my visit to Warsaw. Appropse this he told me that he had a sister-in-law in Poland and then went on to recent the following stery. His wife and sister had been imprisemed by the Germans at Auschwitz. During this time his wife's sister had fallen in love with a Pale whom she married after their release from the camp in 1945. At first the sister end her husband lived in Salicia where he was employed by the Chemical Works there but new live in Warsaw. Pollowing the Fite-Stalin break in 1948 the Primoxic' did not have a single communication from his wife's sister until after the political thaw in 1955. They continued to write her during this period but apparently practically none of their communications to her were delivered. The sister came to visit them last year and told them that she had continued to make afforts to write to them in 1948 but this had only led to her being called in by the Polish pelice and told that unless she discontinued the carrespondence, things would be made very unpleasant for her.

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DEPARTMENT OF STATE

Memorandum of Conversation

010

DATE: December 4, 1958

SUBJECT: Proposed Visit of Yugoslav Journalists to the US

PARTICIPANTS: Mr. Franc Primozic, Yugoslav Minister Am Mr. Foy D. Kohler, Deputy Asst. Secretar Figure

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Mr. Primozic referred to the recent project under which a half dozen American newspaper correspondents were invited to visit and tour Yugoslavia. He considered that this had been a very successful venture of mutual interest and benefit. In this connection he said that he was anxious now to seek American help in arranging for tours by Yugoslav journalists to the US. He had mn mind 6 to 9 journalists from the principal cities of Yugoslavia, presumably to come in very small groups i.e., 2 or 3 each so that they could have the maximum contact with Americans. I told Mr. Primozic that I thought this was a useful idea and that I hoped that reciprocal visits of this kind could be kept going for the sake of Yugoslav-American relations. I said I would bring his proposal to the attention of appropriate officers of the Department and hoped that we could be in touch with him in a favorable sense before too long. In reply to my questions he said that there are four resident Yugoslav press representatives in the US from BORBA, POLITIKA, TANJUG, and the Yugoslav radio. However, all are located permanently in New York and travel very little. Despite Embassy efforts, they have been unable to get additional correspondents sent here to reside in Washington.

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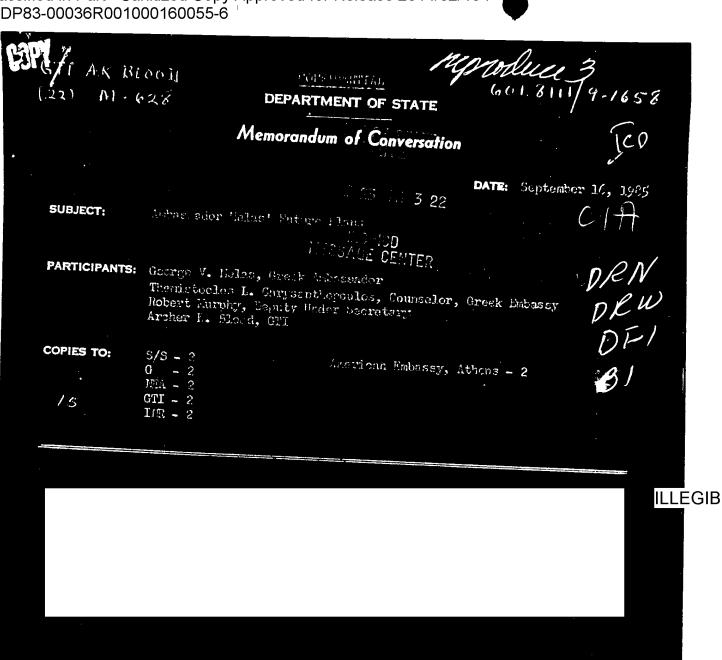
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Memorandum of Conversation

DEPARTMENT OF STATE

DATE: September 12, 1958

SUBJECT: Yugoslav Aid.

PARTICIPANTS: Mr. Franc Primozic, Chargé d'Affaires, Yugoslav Embassy

Mr. Vasilije Milovanovic, Economic Counselor, Yugoslav Embassy

Mr. Slobodan Martinovic, First Secretary, Yugoslav Embassy Mr. Beale, E

Mr. Katz, EE

COPIES TO:

16

W EUR - Mr. Kohler

ICA - Mr. David Richardson

DLF - Mr. Obst Amembassy Belgrade USOM Belgrade

EE - Mr. Leverich EE/Balkans (3)

OFD - Mr. Turnage

Eximbank - Mr. George Blowers

The Yugoslav representatives called this afternoon at their request to seek what information might now be available on the status of proposals made to Mr. Dillon on July 10. The proposals of July 10 concerned financing of certain Yugoslav investment projects by the Development Loan Fund and the Export-Import Bank. Mr. Primozic recalled that he had gotten the impression from Mr. Dillon that we might be in a position to make a reply in about two months. Furthermore, since Mr. Martinovic was about to depart for Belgrade on consultations, Mr. Primozic wished to have some information which could be conveyed to his Government.

Mr. Beale acknowledged that almost two months time had elapsed since Mr. Primozic's meeting with Mr. Dillon. During this time the Yugoslav proposals have been given serious consideration.

One of the proposed projects, the fertilizer plant at Pancevo was expected to come up before the DLF Board next week. While we could not anticipate the Board's decision, we were hopeful. Two other projects, the hydro-electric plant at Trebisnjica and the thermo-electric plant at Kosovo are under technical review by the DLF. Because of the limited funds available to the DLF, however, and the need to balance many urgent requirements, we are unable to express any

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judgement of how quickly these projects can be considered. As regards the remaining projects on the list presented to Mr. Dillon by Mr. Primozic, Mr. Beale stated that we are unable to consider them at this time.

In response to Mr. Primozic's question about the Export-Import Bank as a source of financing, Mr. Beale indicated that while he had not had an opportunity to discuss the matter with the Board of the Bank, there had been some questions raised about Yugoslavia's ability to service dollar loans. Mr. Beale could therefore offer no encouragement with respect to the willingness of the Bank to make further loans to Yugoslavia.

Mr. Primozic expressed great disappointment at Mr. Beale's remarks about the Export-Import Bank. He was especially surprised to hear that questions had been raised about Yugoslavia's dollar repayment capacity since Yugoslavia was actually better able to service dollar debt now than when the first Export-Import loans were granted. Furthermore, Yugoslavia had maintained its service on the existing loans and had reduced the original \$55 million to about \$4.2 million. Mr. Primozic indicated also that at the suggestion of Mr. Dillon, he had thus far refrained from making any approach to the Bank. He appeared propitious.

Mr. Beale explained that it was not his intention to indicate that Yugoslavs should not approach the Bank. He merely wished to point out that the projects submitted by the Yugoslavs had been passed to the Bank by the DIF as a matter of routine procedure, and the Bank had indicated no interest in them. Furthermore, on the basis of the practical banking approach of the Exportmass no reason why the Yugoslavs could not approach the Bank directly. Mr. Beale undertook to provide Mr. Milovanovic with the name of the Bank Director to

In response to Mr. Primozic's inquiry about the status of PL 480, he was informed that Yugoslavia was among the countries for whom programs were being considered on a priority basis. It was indicated that we intended to offer a proposed program at an early date.

During the course of the meeting Mr. Primozic referred to signs of a Soviet economic blockade, specifically the fact that the Soviets are refusing to deliver wheat which was provided for in the commercial agreement. He was asked about reports that the Soviets were also refusing to deliver coking coal. He stated that he had not heard this, although he would not be at all surprised.

EUR: EE: JKatz: va 9-15-58

